GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1971
ANSWERED ON:15.03.2002
PRIVATISATION OF EPF
A. VENKATESH NAIK;MINATI SEN

Will the Minister of FINANCE be pleased to state:

(a) whether the IRDA and OASIS Committee has recomended to privatise EPF and pension fund on the lines of Chile;

(b) if so, the details therof;

(c) the main recommendations made by the Committee in this regard alongwith the reaction of the Government thereto;

(d) whether the Government have adopted all conditions existing in Chile in this direction;

(e) if not, the justification behind accepting the recommendations of the Committee;

(f) whether the Government are considering to invest a part of the EPF corpus in the share market to get higher returns; and

(g) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a)to(g) The Old Age Social and Income Security (OASIS) Committee and the Insurance Regulatory and Development Authorit (IRDA) Committee have based their recommendations on a variety of considerations including the experiences of many countries who have recently undertaken reforms in their pension sector. IRDA has, inter-alia, recommended a regulaotry framework for setting up pension funds to enable individuals to subscribe on a defined contribution basis to obtain the benefits of pensions on their retirement. Action has been initiated by the Government on the recommendations of IRDA. Theinvestments of funds are carried out as per the `Investment Pattern` notified from time to time. A copy of the Investment Pattern, notified by the Government of India,to be followed by the non-Government Provident Funds, Superannuation Funds and Gratuity Funds is attached.